



**BUSINESS  
SCHOOL**

# **THE CASE FOR PURPOSE: DEMISTIFYING THE FIELD**

**CENTRE FOR EXCELLENCE IN STRATEGIC TALENT MANAGEMENT**

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# FOREWORD

Organisations today are dealing with rapid changes and complex challenges. To survive and excel in a volatile business context, it has been argued that organisations need to adopt a more purpose-driven approach in doing business that transcends making money. In the past decade, an increasing interest has emerged in the topic of purpose by both academics and practitioners. Many business books and articles have been published to help companies on their way to become purpose-driven organisations. The notion of purpose has become so widespread that a lot of companies invested in articulating a purpose in order to engage stakeholders. Creating and establishing a strong and shared corporate purpose, however, can be a complex process. In this whitepaper, we aim to provide a clear understanding of what purpose is and why it matters. Based on the research available, we will reflect on how a strong and shared purpose can be established by organisations.

We hope this whitepaper will serve as a useful resource for you!

Koen Dewettinck

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# WHAT IS PURPOSE?

In essence, purpose represents the “why” of our actions and efforts. And, more importantly, it specifies our contribution to this world and to the society in which we live. At the organisational level, purpose is often associated with concepts such as the mission and vision of an organisation. However, purpose can be considered as the basic idea that underpins the meaning of these concepts. It is about why companies do what they do, their very reason for existence that goes beyond profit. In general, purpose acknowledges that business and society are intrinsically connected, as one cannot flourish without the other. Therefore, it represents an overarching commitment to society that includes broader aims, such as making a difference, improving lives, or reducing harm. A strong and shared purpose is aspirational, inspiring companies to go beyond their self-imposed limitations. Organisations usually define their purpose in a short statement that express the positive impact and legacy a company aims to leave on this world. For example, the purpose of Disney is “to use our imagination to bring happiness to millions”. Google’s purpose is “to organise the world’s information and make it universally accessible and useful”.

A purpose statement is only one of the dimensions of purpose. The nature of purpose is formed by three unique, yet interrelated, dimensions (see Figure 1): knowledge, action and motivation. The first dimension, *knowledge*, represents the explicit understanding members have about an organisation’s purpose (i.e. the formal purpose statement). The second, *action*, reflects the extent to which an organisation is putting into practice what it says in the purpose. And finally, *motivation*, draws on the beliefs and motivations of the individual. When purpose touches the heart of an individual, it energises people to transcend their own interest, further fuelling the fulfilment of purpose. When organisations are true to their purpose, the three dimensions of purpose approach each other and knowledge, motivation, and action become unified. [1] [2]

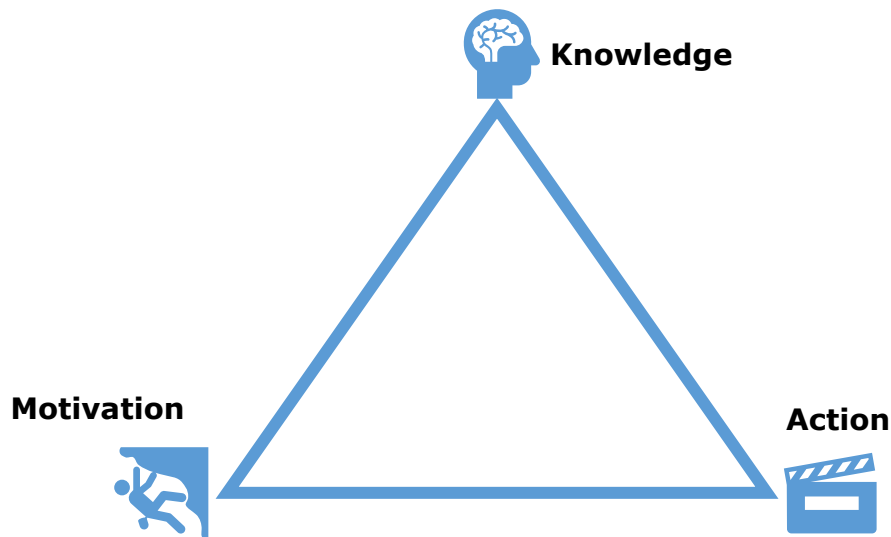


Figure 1. The three dimensions of purpose

At an individual level, purpose represents stable, far-reaching, high-order goals that people are striving towards as they live. Individual purpose connects what people do with who they are. It ties people's actions and activities to their values, skills and interests. It also gives people meaning, serving as the reason for being engaged in a certain activity. And it promotes engagement and motivation in activities and guides people's behaviours and choices. Much traditional research around purpose over recent decades has been based on this notion that purpose flows from the organisation to the individual. However, purpose must also be created and moved from the individual to the organisation. In this perspective, individuals derive a sense of meaning in their work from their personal purpose. And this plays a crucial role in the development of meaning because one's own purpose is an enormous source of motivation.

## ORIGIN OF PURPOSE <sup>[2]</sup>

The cultural interest in purpose seems to be a 21st-century phenomenon. Researchers tracked the words “purpose in life” and synonymous phrases in books published between 1800 and 2008, and in academic articles published between 1969 and 2013. They found that purpose-related phrases started to appear with increasing frequency since the 1980s, and the rate of increase has become exponential since the beginning of 2020. However, a similar trend did not emerge when researchers searched resources in Spanish, French and Chinese or British English. This suggests that the US might be driving this cultural emergence of purpose. Yet, purpose has been spreading through the global networks of knowledge and business since 2008 and has now become an important paradigm across the world. <sup>[3]</sup>



# WHY IS PURPOSE IMPORTANT?

The presence of purpose is a trend that has been growing in recent decades. Most notably because the concept of purpose is becoming a necessary and key element for creating meaningful organisations in a competitive environment that is strongly marked by inconsistency and uncertainty. Hence, recent years showed an increasing interest in academic research about purpose in both individuals and organisations. For individuals, benefits of purpose have been found in diverse areas as health, well-being, and productivity. For organisations, a positive impact has been found on customer loyalty, innovation, employee engagement and financial performance. [2]

## CUSTOMER LOYALTY

Purpose has an impact on the buying behaviour and brand loyalty of customers. Nowadays, expectations of an organisation's role in society is much higher than in the past: today's citizens support companies for what they represent rather than for the products or services they sell. [3] Take Unilever, for instance, who reports that their purpose-driven brands doubled in economic growth as compared to brands that are not defined by purpose. [4] A study by Edelman conducted in 2018 [5], with approximately 8000 consumers in 8 markets revealed that nearly two-thirds of consumers around the world now buy on belief, a remarkable increase of 13 points since 2017. These belief-driven buyers will choose, switch, avoid or boycott a brand based on where it stands on the political or social issues they care about. The survey also revealed that a belief-driven mindset has gone mainstream. About 60% of consumers want brands to make it easier for them to see their values and positions on important issues. Belief-driven buyers are now the majority in every market surveyed, across all age groups and all income levels. Almost as many consumers aged 35-to-54 buy on belief as 18-to-34-year-olds, and the most impressive gains come from the older cohort, with an 18-point increase among people 55 years old and up (see Figure 2). A brand's stand drives both purchase intent and advocacy. Additional evidence comes from a survey by EY (2017), showing that organisations that deeply integrate a sense of purpose into their operations report an increase in customer loyalty (52%), followed by preserving brand value and reputation (51%).

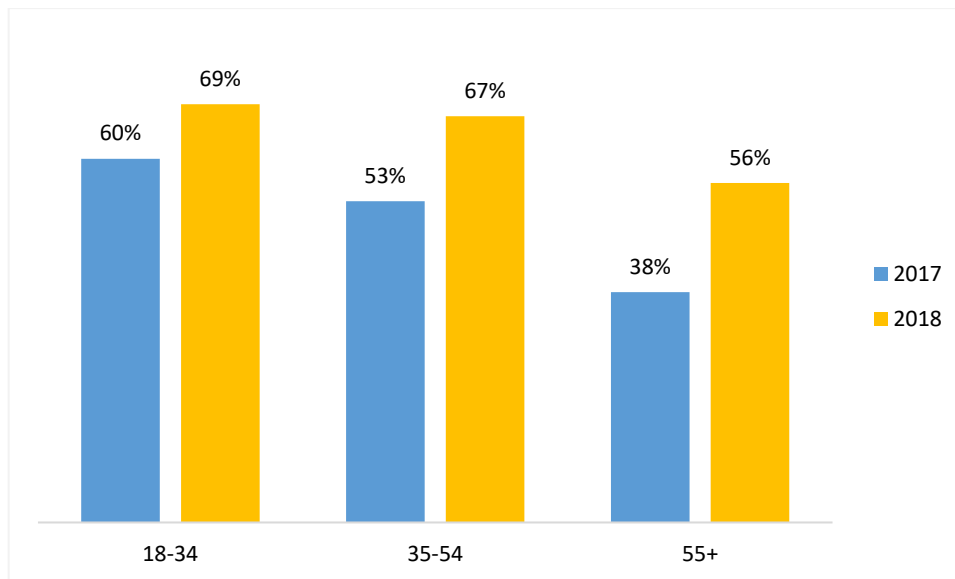


Figure 2. Percentage of belief-driven buyers across age categories (Edelman, 2018)

## INNOVATION

A study by Harvard Business Review & EY amongst 474 executives indicates that purpose fosters an organisation's ability to transform and innovate, especially when purpose is treated as a core driver of strategy and decision-making. In this research, companies were divided in three categories with respect to purpose: 1) 'the prioritizers', companies that already have a clearly articulated and understood purpose (39%); 2) 'the developers', companies that do not yet have a clearly articulated purpose, but are working to develop one (48%); and 3) 'the laggards', companies that have not yet begun to develop or even think about purpose (13%). The prioritizers indicated that their organisation is successful with innovation and transformation efforts, compared with 31% of the developers and 19% of the laggards (see Figure 3). [6]

Purpose taps into longstanding moral ideas. It could focus on the desire to discover something new; well-known innovators such as Intel, Google and IBM for instance, have embodied this purpose. It could also focus on the achievement of excellence: Toyota is an innovator driven by a relentless desire for ever-better products. A third focus is related to the desire to help others. Many pharmaceutical innovators, such as Merck, have followed this purpose. And a fourth focus, heroism, is reflected in an ambition to win and succeed above all others: Microsoft and the original Ford Motor Company are examples of heroic innovators. When shared amongst colleagues, purposes such as these can encourage innovation by supporting both the generation and the implementation of ideas. Purpose strengthens the factors that lead to successful



idea generation and implementation, such as sensitivity to the market, dissatisfaction with the status quo, persistence and willingness to take risks, a focus on shared goals (which leads to discipline in a team of innovators) and the trust and cohesion that facilitate the free flow of ideas. [7]

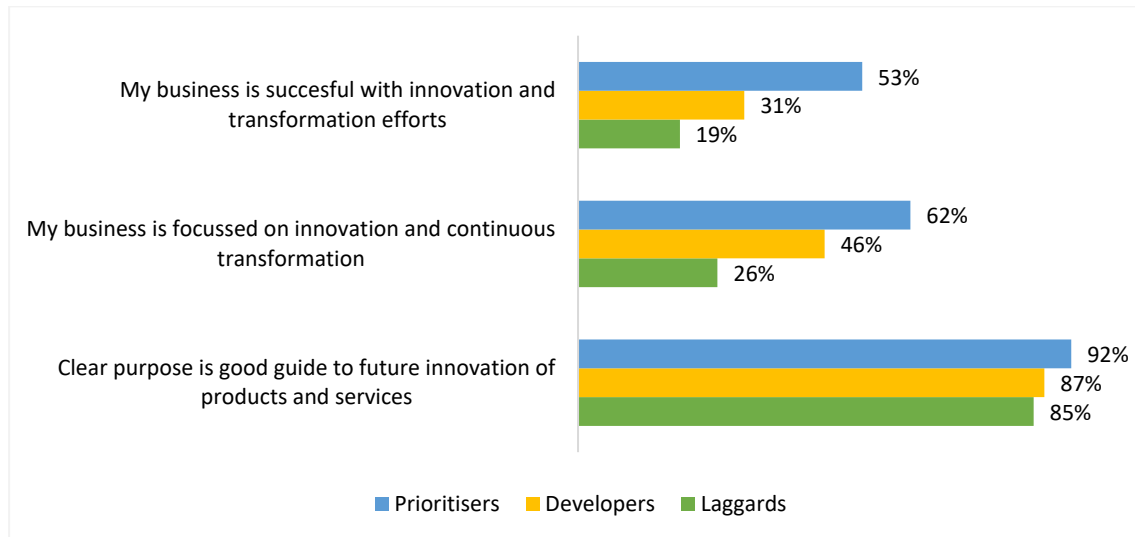


Figure 3. Percentage of organisations that agree with the following statements  
(Adapted from HBR and EY, 2015)

## EMPLOYEE ENGAGEMENT

A global survey of 26.151 LinkedIn members in 40 different countries examined to what extent people are oriented towards purpose, achievement or money as the reason for why they work. [8] The survey found that 37% of respondents rated purpose as more important than status and money. Another 38% considered purpose to be equally weighted to status and money. A study by Vlerick Business School on graduates' career values and expectations also shows that what's most important for them, is being able to build a career that fits with who they are and what's valuable for them.<sup>[20]</sup> Moreover, about 60% of graduates indicate that they want an employer who promises to have a significant impact (social, environmental...) dedicated to a cause.<sup>[21]</sup> Though, purpose has shown to be important across generations. Employees in general want to play a role in society and the search for purpose and meaning at work is not limited to millennials (see figure 4). A recent study found that 9 out of 10 employees across age groups are even willing to trade a percentage of their lifetime earnings for greater meaning at work.<sup>[22]</sup>

It is not surprising then, that purpose is an important driver of employee engagement. [9] In a survey of 12.000 employees, 50% indicated they did not

get a feeling of meaning from their work, but those who did reported 1.7 times greater job satisfaction, were 1.4 times more engaged, and were more than three times as likely to stay with their employer. [10] In general, having a shared purpose has been linked to increased employee commitment, proactivity, and extra-role behaviours. Commitment expresses an emotional bond between the individual and the organisation that causes employees to stay in an organisation because it feels like their own. Proactivity refers to an attitude of wanting to contribute to the organisation's goals. When having a shared purpose, employees feel a certain ownership and hence wish to contribute to advancing the shared purpose because they identify with it. Finally, extra-role behaviours refer to the phenomenon in which employees willingly take on more than is required. [11]

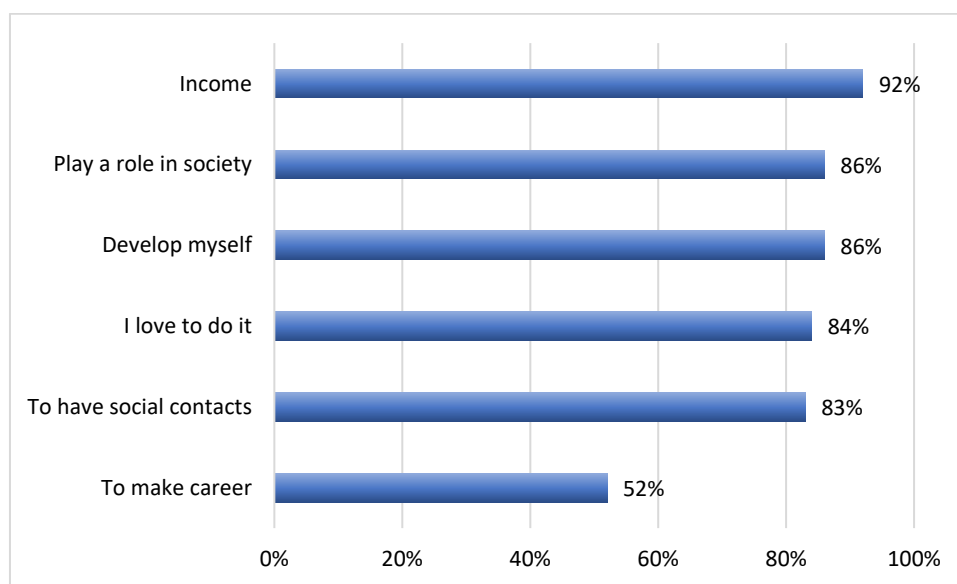


Figure 4. Why do people work (Trendhuis Werkmonitor, 2020)

## FINANCIAL PERFORMANCE

The study by Harvard Business Review & EY amongst 474 executives also indicated a positive relationship between purpose and financial performance. The survey revealed that the executives from purpose-led organisations reported a greater ability to achieve revenue growth. Specifically, 58% of prioritizers said they experienced growth of 10% or more over the past three years, compared with 51% of the developers and 42% of the laggards. Forty-two percent of laggards reported flat or declining revenue over the past three years, compared with 19% of developers and only 15% of prioritizers (see Figure 5): [6]

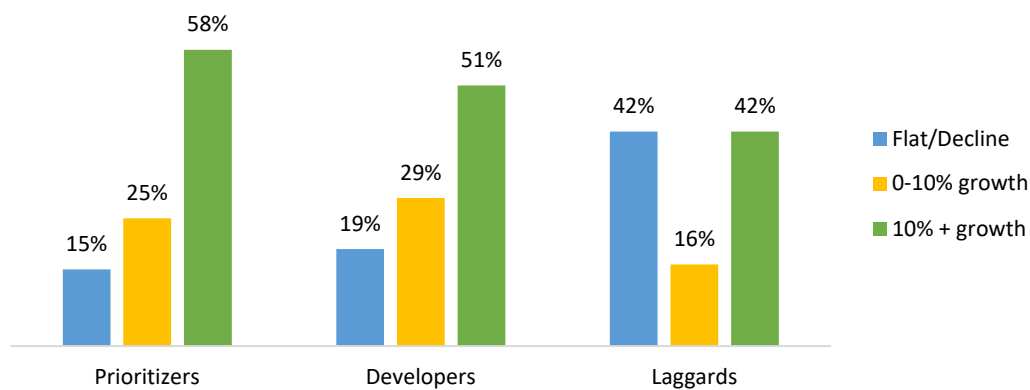


Figure 5. Percentage who indicated how their revenue had changed in the past 3 years

Recent academic work by Gartenberg, Prat & Serafeim (2019) further clarifies the relationship between purpose and performance. Their study, based on data from 500 000 employees, showed that the purpose-led organisations could be split in two categories: those characterized by high camaraderie between employees and those characterized by high clarity from management. The organisations who had both high purpose and clarity had systematically higher future accounting and stock market performance, even after controlling for current performance (see Figure 6). Taken together, the results suggest that organisations with midlevel employees with strong beliefs in the purpose of their organisation and the clarity in the path toward that purpose experience better financial performance. [12]

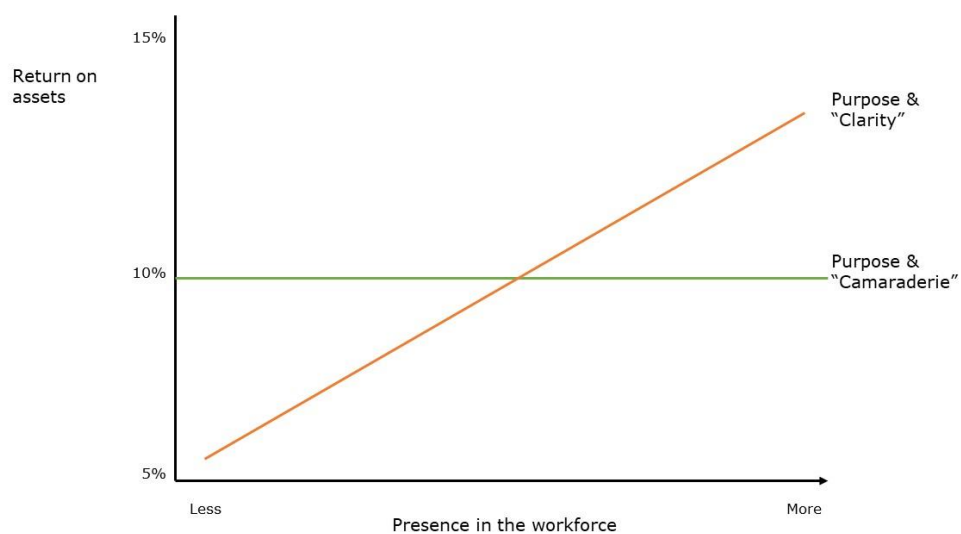


Figure 6. Corporate purpose and financial performance  
(Gartenberg, Prat & Serafeim, 2019)

# HOW TO BUILD A PURPOSE DRIVEN ORGANISATION?

## IDENTIFYING CORPORATE PURPOSE

Establishing a strong and shared corporate purpose is much more than crafting an abstract purpose statement. It starts with identifying what the purpose of the organisation actually is. As previously described, a purpose refers to why an organisation exists and how it contributes to society. Although it might seem difficult to define this, corporate purpose can always be (re)discovered. [13] A purpose is not something that needs to be invented, it already exists and can be found. [14] To identifying corporate purpose, organisations need to engage in a process that is directed inside-out and is reinforced outside-in, generating connections with different stakeholders. It requires a co-creation that results from a dynamic dialogue between key stakeholder groups. Identifying purpose is certainly not a one-time project: it is an ongoing process that evolves over time and is sensitive to internal and external contextual changes. In general, identifying corporate purpose should at least include the following four steps [13]:

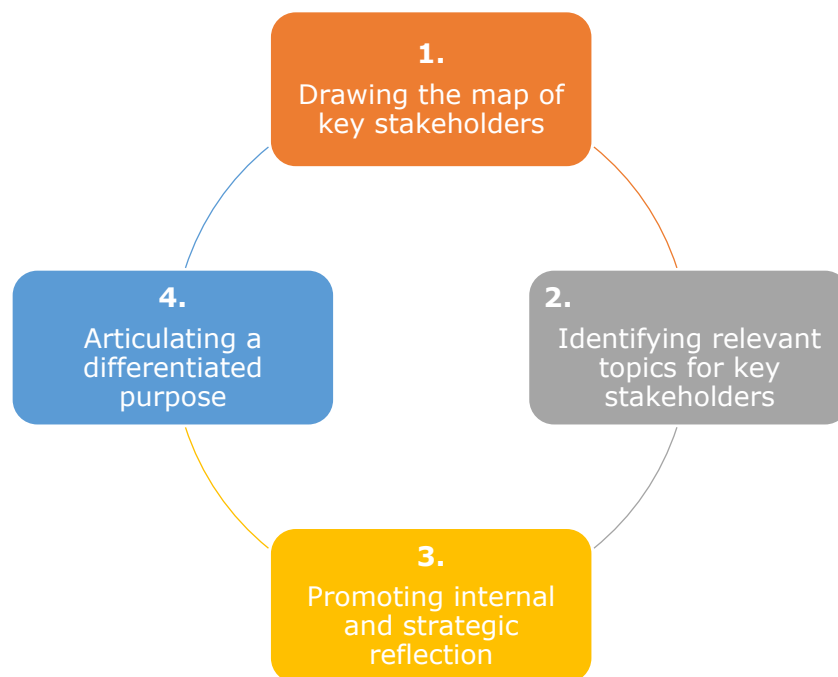


Figure 7. Four steps in identifying corporate purpose  
(Adapted from Fontán C., Alloza Á., Rey C., 2019)

## 1. Drawing the map of key stakeholders

Employees are primary stakeholders when it comes to defining corporate purpose. By engaging employees in setting purpose, organisations offer their employees an opportunity to participate in a project of superior order and to contribute something worthwhile, appealing to their fundamental motivations as human beings. However, not only employees are key, also clients, shareholders, opinion leaders, experts, ... have a role to play. A corporate purpose, rather than being defined *for* the stakeholders in a top-down way, needs to be defined in correspondence *with them*. When defining the purpose, companies need to reflect upon the key stakeholders that ought to be part of the organisation, those agents who are likely to identify with the organisational purpose. Identification and prioritization of these groups is driven by the degree of their potential identification with the organisational purpose and their ability to contribute to its development.

## 2. Identifying relevant topics for stakeholders

Nowadays, expectations of an organisation's role in society is much higher than it used to be in the past: today's citizens support companies for what they represent rather than for the products or services they sell. They want companies that use their influence to have a positive impact on people's lives and to progress humankind. Creating a meaningful purpose hence requires not only an understanding of the issues that worry various stakeholders, but also, to a certain extent, an ability to read trends and understand the logic of society. All in all, it means knowing which big social issues worry one's stakeholders and what the business is expected to do in order to improve this world. In order to identify relevant topics, organisations need to actively listen to the stakeholders. Their perceptions and opinions should be integrated with the analysis of relevant topics. For this, contextual, reputational and social intelligence is needed. Keeping track of social trends and concerns allows organisations to identify truly relevant topics and narratives. A good example of introducing a system of corporate listening is provided by McDonalds, which used awareness of social concerns to re-focus its brand positioning in the face of a new global challenge: obesity.

### 3. Promoting internal and strategic reflection

The analysis of relevant topics and monitoring of stakeholder opinions and expectations, which includes listening to employees, clients and society, need to be complemented by qualitative discussions among top management. Executives must review this information and further engage in the critically important process of defining the organisation's distinctive features: its legacy and the future it hopes to build. It does not entail that all organisations have to "change the world". Instead, it means being able to commit to a shared belief, which leads a company to make a significant contribution in the areas where it operates. An internal reflection of purpose can be seen as a striking balance between: 1) what an organisation wants to be (i.e. the corporate dream); 2) what an organisation needs to be (i.e., society and stakeholder expectations) and 3) what an organisation can be (i.e., the company's objective capabilities and strengths). Take Danone, which "wants to be" a company dedicated to health; "has to be" like this because of its consumer expectations, who trust the nutritional value of its products; and "can be" like this through its food production, which is the essence of its business model. The intersection of these three dimensions yields its reasons for existence, a purpose of superior order: creating a healthier future.

### 4. Articulating a differentiated purpose

Once the corporate purpose is identified, the process of crafting a purpose statement can start. This is probably the most creative part, as it implies distilling the corporate purpose into a sentence that can drive the corporate narrative and express the organisation's unique contribution to the world. In general, it is recommended that the purpose statement must:

1. be **concise** by using short phrases
2. be **straightforward** by avoiding jargon
3. seek what is **characteristic**: "this is us"
4. stay **authentic**, firmly ingrained in the organisation
5. seek what is **timeless**, rooted in the past and forward looking to the future

## SOME EXAMPLES OF PURPOSE STATEMENTS

To inspire and nurture the human spirit—one person, one cup and one neighborhood at a time

Starbucks

We are in business to save our home planet

Patagonia

Create happiness by providing the finest in entertainment for people of all ages, everywhere

The Walt Disney Company

To share and make the world more open and connected

Facebook

To bring inspiration and innovation to every athlete in the world

Nike

To create a better everyday life for the many people

Ikea

To reach for new heights and reveal the unknown for the benefit of humankind

NASA

The development of children's creativity through play and learning

Lego

Refresh the world. Make a difference

Coca-cola Company

To organise the world's information and make it universally accessible and useful.

Google

We make sports accessible for the many

Decathlon

Creating brighter lives for all

DSM

Our purpose is to make sustainable living commonplace

Unilever

To foster the human capacity to innovate and progress

HP

Nourishing families so they can flourish and thrive

Kellogg Company



## EVALUATE YOUR PURPOSE STATEMENT <sup>[16]</sup>

In evaluating whether your company has effectively articulated a differentiated purpose, consider the following questions:

- Is our purpose relevant to a set of customers or users with the potential to buy our products or services? Is it clear whose lives or businesses we are improving in some way, large or small?
- Is our purpose unique? How would society be worse off or different without our company?
- Are we the rightful owner of our purpose? Do we have or can we build the capabilities to excel at it? Can we fulfill it more effectively and efficiently than our competitors?





## PURPOSE WHEEL EXERCISE <sup>[17]</sup>

Inspired by Maslow's hierarchy of needs and what motivates human satisfaction, IDEO created a purpose framework called the Purpose Wheel. The Purpose Wheel drives conversations about future goals, and ultimately creates a foundation that the organisation's leadership can align on before sitting down to write down the purpose statement.

### 1. Start at the center

The center of the wheel proposes five ways a company or organisation might have an impact on the world. Each slice answers the "Why do we exist beyond profit?" question in a different way. Think about the question: beyond profit, why does the organisation exist? The first step is to consider your hunch and make a prediction. Where do you think your business will land?

### 2. Go full circle

The idea is not to select one reason for existence and insist everyone rally around it. Instead, the goal is to imagine the company in question having impact in each of the five ways, then have conversations about what that impact might look like today—and in the future—even if some of them feel like a tight fit or a challenge. Here are some questions to ask at this stage:

- ✓ What actions, behaviours, or experiences would have to happen in order for that statement of impact to be true?
- ✓ How might this kind of impact inspire your culture?
- ✓ How might this kind of impact change the way you make business decisions?

The wheel works best when you try all five types of impact on for size and eliminate those that may not align with your business strategy or long-term vision.

### 3. Answer the 'how' questions

Once you have alignment around the centre wheel, you can move to the outer wheel. This is where you can move the conversation towards the “how”—how your business makes an impact. The outer wheel doesn’t offer a comprehensive list of “how’s”, and there may not always be one clear answer. However, the outer wheel is there to push your imagination and force you to consider how your company might make an impact. With it, you continue to engineer your purpose statement: We exist to (inner wheel) through (outer wheel) to impact society for the better.

### 4. Pressure-test it

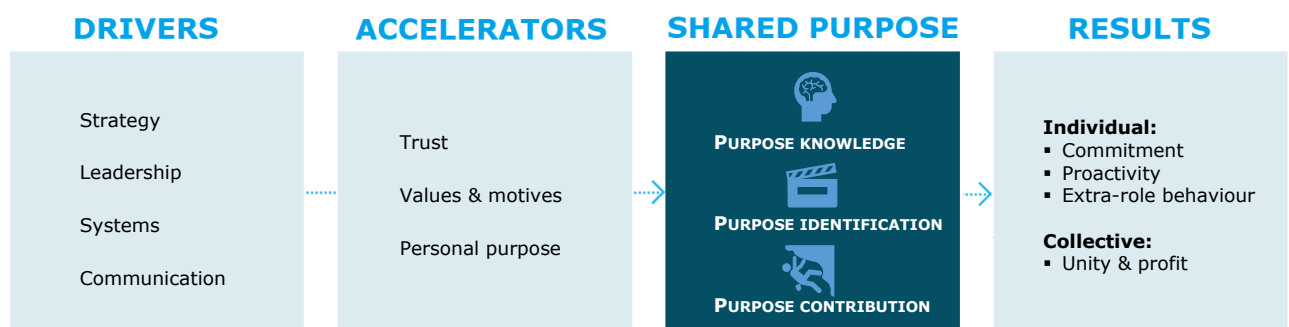
Start to apply this to your company by putting yourself in the shoes of employees who range from top to bottom, east to west. Have conversations and ask them: what would happen if you applied this purpose framework to your work today? What would this unlock for you as an employee?



## HOW TO CULTIVATE A SHARED CORPORATE PURPOSE

Identifying and articulating the corporate purpose is only the beginning. An inspiring purpose statement is of limited use and might be counterproductive if an organisation is not able to translate it into action. In that case, it becomes nothing more than nice words on a wall. When that happens, the purpose statement will generate frustration and decrease motivation among employees. [15] As mentioned above, sincere dialogue with stakeholders to determine the corporate purpose helps people to identify with it. This is vital in building a purpose that is shared by everyone.

However, it's also crucial that stakeholders internalise the purpose. To this end, it must be such that it illuminates the mind (knowledge), captivates the heart (motivation) and guides the daily work of employees (action). Illuminating, captivating and guiding are the three elements that characterise the corporate purpose so that it becomes internalised by all. As described in the Purpose Strength Model, which has been developed by professors Álvaro Lleó (Tecnun), Carlos Rey (UIC Barcelona) and Nuria Chinchilla (IESE), there are some key main drivers on which it is possible to act in order to create a shared purpose, and some key accelerators that may speed up or slow down its development [11]:



Adapted from the Purpose Strength Model, developed by Álvaro Lleó (Tecnun), Carlos Rey (UIC Barcelona) & Nuria Chinchilla (IESE)

## Drivers of a strong and shared purpose

A first driver of a shared purpose is **strategy**. Strategy marks the way forward, but the real goal here lies in defining the strategy in such a way that unambiguously orients the organisation toward its stated purpose. This can be reinforced via the use of purpose-oriented objectives that make the strategy real and relatable to the purpose. It has been argued that purpose without objectives is a dead purpose and objectives without purpose are blind objectives. Purpose not only helps to provide a reason for working every day, it also prioritizes our work putting emphasis and energy on those objectives that answer the company's call. From this perspective, strategy will be more coherent and authentic to the extent that it helps put into practice the organisation's purpose.

A second major driver of a shared purpose is **leadership**. A purpose-oriented organisation requires leadership capable of reaching the hearts and minds of co-workers by generating an understanding that working for the common purpose is worthwhile. There are two types of leadership. On the one hand, managers and executives need to cultivate purpose, leading by example. This means that leaders invest in discovering their own personal purpose, support employees to find their personal purpose, and connect personal to organisational purpose. On the other hand, it is equally important that there exists a form of shared leadership: the kind of leadership that is exercised at all company levels and in all of its areas, in which employees mutually reinforce the transmission and identification with the organisation's purpose.

A third driver of a shared purpose are **the systems** of an organisation. Organisational systems (i.e. policies and procedures) should ensure that the corporate purpose is brought to life and embedded in the day-to-day work of employees. The whole point is that purpose makes no difference, unless it changes the way people operate or the way they do business. HR processes such as employer branding, recruitment & selection, and talent management should be aligned with the corporate purpose. For example, explicitly referring to the corporate purpose in the EVP, looking for a fit with corporate purpose during recruitment & selection, and leveraging individual purpose in talent management processes are examples of how a shared purpose can be developed and enhanced.

Finally, consistent **communication** is a fourth driver for cultivating a strong and shared purpose that engages all stakeholders. Considering this as a driver, organisations must ensure the appropriate channels exist to, not only transmit the message, but also to show that decisions are justifiably based upon it. One of the challenges is that organisations should be able to capture communication upwards. The key is

to be able to grasp organisations' feelings and thoughts and, in turn, promote purpose as part of an overall internal dialogue.

## Accelerators of a strong and shared purpose

Understanding and knowing how best to boost the drivers will make them more impactful. There are three accelerators that should be considered: trust between managers and employees, values and motivation of employees and individual purpose.

A first accelerator is **trust**. Employees at high-trust organisations indicate that they can be themselves at work, that they are treated fairly, regardless of their age, race, gender, sexual orientation and other demographic factors, and that they experience a psychologically and emotionally safe place to work.<sup>[18]</sup> Trust makes it easier for people to open up and show themselves as they truly are. The generation of trust will facilitate getting to know the real person behind each individual, to know and recognise their uniqueness and to treat them in a more authentic way. Research confirms that without intimate and trustworthy relationships, it is not possible to develop purpose-driven leadership.<sup>[19]</sup>

A second accelerator are **the values and motivation** of employees. Values and motivation express the deepest aspects of people, the ideals that govern their behaviour, and the motives that drive them to act. People are motivated by different factors. Following Pérez López, three types of motivation can be distinguished: extrinsic motivation, determined by what is received from outside (salary, recognition, etc.), intrinsic motivation, determined by what is acquired (learning, satisfaction, competences, etc.), and, finally, transcendent motivation, determined by that which is given to others (service, caring, etc.). The values and motivation people hold have an influence on the creation of a shared purpose. It will for example be easier to generate a shared purpose with people who have transcendent motives and among whom contribution values prevail, rather than with others whose motives are primarily extrinsic or intrinsic.

A third accelerator is **personal purpose**. Each employee's personal purpose will also influence the generation of common and shared purpose. Having invested time in searching for, reflecting on and defining a personal purpose, one that gives meaning to day-to-day life, makes it easier to share as well as to analyse the extent to which the organisation's purpose encompasses the personal one. The more meaning and purpose, the easier it will be for people to share and identify with the organisation's common purpose. This idea is clearly understood by companies such as ING and Unilever whose employees, shortly after joining the company, follow a trajectory to help reflect on their personal purpose and values relative to those of the company.

## PURPOSE ASSESSMENT

This assessment helps you to identify how your organisation is doing with regard to developing a strong and shared corporate purpose.

Indicate, by circling the number from 1 to 5, to what extent you agree with the statements. It is essential to understand that there are no right or wrong answers, just be honest with yourself.

1 Disagree	2 Somewhat disagree	3 Neutral	4 Somewhat agree	5 Agree
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1	Purpose is put at the heart of our strategy.	1	2	3	4	5
2	Our organisation has a clearly defined purpose, explaining why we are in business.	1	2	3	4	5
3	Our corporate purpose is translated in strategic objectives.	1	2	3	4	5
4	Our purpose driven strategic objectives are closely monitored by top management.	1	2	3	4	5
5	Our top management promotes our common purpose, leading by example.	1	2	3	4	5
6	Our middle management promotes our common purpose, leading by example.	1	2	3	4	5
7	Our leadership is capable of inspiring us that working for the common purpose is worthwhile.	1	2	3	4	5
8	Managers continuously appeal to the common purpose as the main motivating reason for day-to-day work	1	2	3	4	5

9	Our purpose is known by the majority of our employees.	1	2	3	4	5
10	A majority of our employees buy into the corporate purpose, integrating it into their behaviour/work attitude.	1	2	3	4	5
11	Employees mutually reinforce the transmission and identification with our common purpose.	1	2	3	4	5
12	Overall, employees believe that management is competent at running the business.	1	2	3	4	5
13	In our work environment, it is overall easy for people to open up and show themselves as they truly are.	1	2	3	4	5
14	Contributing to larger society is an important driver and motivation for most of our workforce.	1	2	3	4	5
15	Employees are supported in defining their individual purpose.	1	2	3	4	5
16	Our Employee Value Proposition is explicitly referring to our common purpose.	1	2	3	4	5
17	Purpose is as important as technical competencies when hiring people.	1	2	3	4	5
18	Our talent management and development approach are based on leveraging individual purpose.	1	2	3	4	5
19	HR encourages and supports people managers to be purpose-oriented leaders.	1	2	3	4	5
20	Our purpose is clear enough so that our stakeholders (employees, customers, investors) can articulate it.	1	2	3	4	5
21	There is consistent communication to transmit the organisational purpose in an authentic way.	1	2	3	4	5
22	Our company brings purpose alive by sharing stories and examples.	1	2	3	4	5

\* questionnaire based on the model described in Rey, Bastons, Sotok (2019). Purpose-driven Organisations. Management Ideas for a Better World

## PURPOSE ASSESSMENT SCORING

The following 22 cells represent the 22 questions in the Purpose Assessment. Write in the blue cell, corresponding with the right question, the number you circled on that question. Calculate the average of the scores in every blue column to obtain the score for each lever of purpose.

Strategy		Leadership		Employee knowledge and identification		Trust		Workforce Motivation		Individual Employee Purpose		HR systems		Communication					
1		5		9		12		14		15		16		20					
2		6		10		13						17		21					
3		7		11								18		22					
4		8										19							

On the basis of these scores, rank the different levers of purpose:

**GOOD SCORE** ( $3,5 \leq \text{SCORE} \leq 5$ ):

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**MEDIUM SCORE** ( $2,5 \leq \text{SCORE} \leq 3,5$ ):

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**LOW SCORE** ( $1 \leq \text{SCORE} \leq 2,5$ ):

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## CONCLUSION

A higher purpose is not simply about profits. It refers to why you do what you do, reflecting something much more aspirational and contributes to our global society. For individuals, benefits of purpose have been found in diverse areas as health, well-being, and productivity. For organisations, a positive impact has been found on areas such as customer loyalty, innovation, employee engagement and financial performance. As we have discussed, purpose is not about designing a fancy purpose statement that will be printed on organisational documents, rather it's about generating a purpose that will be imprinted in the heads and especially the hearts of employees, making them feel proud of being part of the organisation and leading to shared ambitions. A strong and shared purpose illuminates the mind (*knowledge*), captivates the heart (*motivation*) and guides the daily work of employees within the organisation (*action*). These three dimensions of purpose should be developed in a concurrent way in order to establish a shared purpose.

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We hope this whitepaper helps you to grasp the what, the why and the how of purpose and supports you in your journey to become a purpose-driven organisation!

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